

GIANT EXPLORATIONS LIMITED

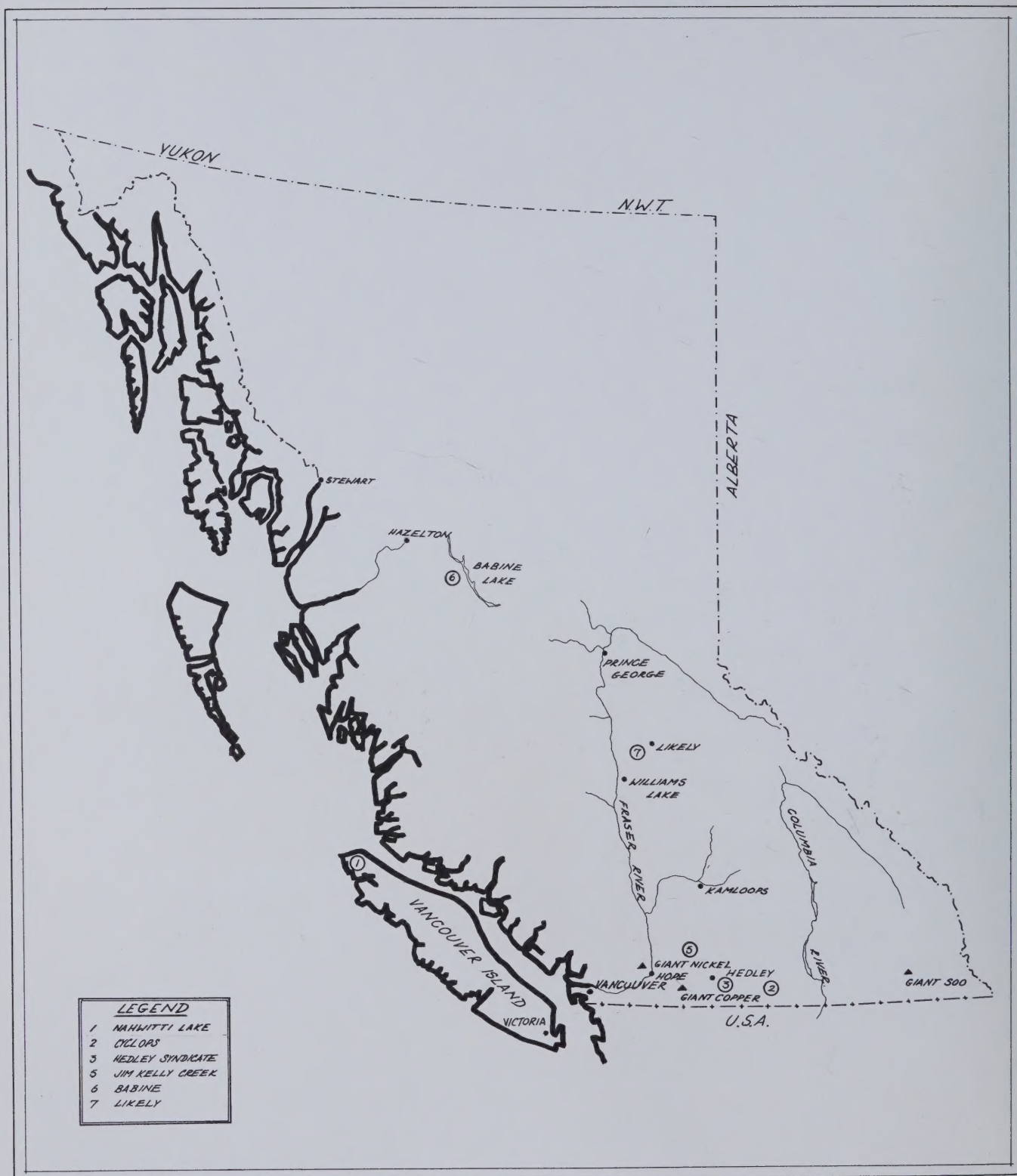
N.P.L.

1825 - 355 BARRARD STREET, VANCOUVER 1, B.C.



1967

SECOND ANNUAL REPORT



MAP SHOWING LOCATIONS OF PROPERTIES IN BRITISH COLUMBIA

SECOND ANNUAL REPORT

GIANT EXPLORATIONS LIMITED

(Non-Personal Liability)

(Incorporated under the Laws of the Province of British Columbia)

Listed on the Vancouver Stock Exchange.

DIRECTORS A. J. CHILCOTT, Vancouver
J. L. GIBSON, Vancouver
W. C. GIBSON, Vancouver
H. A. McDIARMID, Vancouver
DR. W. A. McELMOYLE, Victoria
L. P. STARCK, P.Eng., Vancouver

OFFICERS W. C. GIBSON, President
L. P. STARCK, P.Eng., Vice-President and General Manager
A. H. AINSWORTH, Secretary
S. CLARKE, F.C.I.S., Treasurer

GENERAL MANAGER L. P. STARCK, P.Eng., Vancouver

REGISTERED OFFICE 625 - 925 West Georgia Street, Vancouver

ADMINISTRATIVE OFFICE 1825 Marine Building, Vancouver

REGISTRAR AND TRANSFER AGENTS Canada Permanent Trust Company, Vancouver

GENERAL COUNSEL Ainsworth, Henson, Norby, Purvis & Kendall, Vancouver

AUDITORS Thorne, Gunn, Helliwell & Christenson, Vancouver

**ANNUAL GENERAL MEETING MARCH 29, 1968, 3:00 P.M.,
HOTEL VANCOUVER, VANCOUVER, B.C.**

GIANT EXPLORATIONS LIMITED

(Non-Personal Liability)

(Incorporated under the laws of the Province of British Columbia)

REPORT OF THE DIRECTORS

To the Shareholders of
Giant Explorations Limited (N.P.L.)

It is with pleasure that we present herewith, the Second Annual Report of Giant Explorations Limited (N.P.L.).

The year has been a busy one for our exploration staff, Pacific Petroleum Limited's participation with us in our most extensive program was a factor in reducing our Company's outlay; and, further, we were not required to spend any appreciable amount on capital equipment as this was well provided for in our first year's expenditures.

Since the finalization of our General Manager's report, which follows, our Company has acquired, under option, 36 claims in the promising uranium area of Mackenzie District, Northwest Territories. With the many properties of merit on our agenda for further exploration, the coming year promises to be an interesting one for our Company.

In order to assure financial ability to carry on our extensive program for 1968, an agreement has been finalized with H. H. Hemsworth and Company to underwrite 200,000 shares at 40c net to the treasury, and options have been given on another 200,000 shares at 50c net to the treasury, and a further 200,000 shares at 60c net to the treasury. The exercising of this agreement will provide the Company with \$300,000 of which to date \$80,000 has been received by the treasury. Details of this are noted in the balance sheet.

The Directors wish to take this opportunity to thank our Management and Staff for their diligent and productive work during the past season.

On behalf of the Board,

Vancouver, B.C.
February 23, 1968

W. C. GIBSON,
President

GIANT EXPLORATIONS LIMITED

(Non-Personal Liability)

February 1, 1968

President and Directors,
Giant Explorations Limited (N.P.L.),
1825 - 355 Burrard Street,
Vancouver 1, B.C.

Dear Sirs:

Giant Explorations Limited (N.P.L.) holds varied interests in five properties in British Columbia, one in Alberta, two in the Northwest Territories, and one in the Yukon Territory and is participating with Pacific Petroleum Limited in the Hedley Syndicate: all of these properties warrant continued exploration. During the last fiscal period the Company spent \$110,677 on six of these properties, on the Hedley Syndicate, on the search for new prospects and on properties relinquished.

PROPERTIES

1) NAHWITTI LAKE: 81 recorded mineral claims.

Exploration of the Nahwitti Lake Group, situate west of Port Hardy, B.C., has disclosed six impressive zones of mineralization along a 20,000 foot strike length with interesting values in copper, zinc, lead, silver and gold, which require detailed study.

The 1968 program will include diamond drilling and stripping of the known mineralized areas, and geological, geochemical and geophysical surveys of the present claims and new areas, which are being staked.

This area of northern Vancouver Island is the centre of exploration activity by many companies as the result of recently reported mineral discoveries. Utah Construction and Mining Company has staked in excess of 800 claims adjoining the south, east and west boundaries of the Nahwitti Lake group.

2) CYCLOPS: 3 recorded mineral claims.

The Company has recently optioned the Cyclops group of mineral claims adjoining the south boundary of the Oro Denora claim on which substantial tonnages of copper mineralization have been reported by West Coast Resources Limited (N.P.L.). Surface stripping by Giant Explorations on the Cyclops claims extended a previously known zone of zinc mineralization containing minor values of silver and copper for some 400 feet with widths of up to 12 feet. Sampling of exposures along a road cut some 200 feet south of the Oro Denora claim gave values in the order of 1% copper. A program of geological, geochemical and geophysical work is planned on this group for the coming season.

3) HEDLEY SYNDICATE: 50% interest.

The Company participated, on a 50% interest basis with Pacific Petroleum Limited, in a reconnaissance survey of a 750 square mile section of the southeastern Okanagan of British Columbia. Geochemical silt sampling of the streams, followed by geological mapping and soil sampling of anomalous areas, successfully outlined four areas requiring further followup work. This program will be continued and expanded into other promising areas.

4) ALBERTA SULPHUR PERMIT:

Application has been made for a Sulphur Permit in northern Alberta, to the west of Wood Buffalo National Park. Here several apparent successes have been reported in locating, at shallow depths, flat-lying beds of native sulphur with thickness in excess of 10 feet. A geological examination is planned for this permit area, to be followed by shallow drilling, where required.

5) JIM KELLY CREEK: 64 recorded mineral claims.

An option was recently obtained on the Jim Kelly Creek group, situate 35 miles west of Princeton, on a tributary of the Tulameen River. Three zones of low-grade copper and nickel mineralization are known in the limited area that has been explored. Before consideration is given to geophysical work or diamond drilling, a geological study will be made to fully evaluate the property.

6) BABINE LAKE: 25% interest in 64 recorded mineral claims.

Last summer's geological and geochemical surveys on the Penn group, which is located on the Newman Peninsula, B.C. to the south of Noranda's potential producer, and contiguous to the producing Granisle property, were inconclusive.

7) LIKELY: 50% interest in 68 recorded mineral claims.

An interesting copper geochemical anomaly was outlined on the Likely group, situate to the west of Likely, B.C. and to the northwest of the Cariboo Bell property. Detailed geochemical soil sampling and geological studies will be continued on this property.

8) OTHER HOLDINGS:

The OK group of 16 recorded mineral claims in the Vangorda-Dynasty area of the Yukon Territory and the AB and Mag groups of 67 recorded mineral claims in the Pine Point area of the Northwest Territories were maintained in good standing during the year. Exploration of these groups will be dictated by developments on adjoining properties and other conditions.

9) PROPERTIES RELINQUISHED:

The Barriere group and options on the West Fork, Rue, Susap and Gambier Island groups were relinquished after carrying out geological and geochemical surveys, diamond drilling and open pitting. Also, participation in the Fraser Syndicate has been discontinued.

MISCELLANEOUS EXAMINATIONS

Numerous property offerings were received during the year of which 48 were examined and 51 were researched. The examination and study of many others is pending.

EXPENDITURES

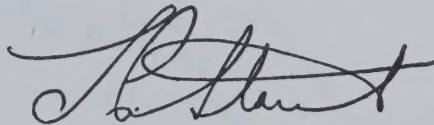
The expenditures for the year totalled \$110,677, of which \$99,216 was spent on exploration and Company operating expenses, \$4,725 on capital items such as vehicles, camp equipment, etc., and \$6,736 on property payments. Income on investments amounted to \$14,123.

CONCLUSIONS

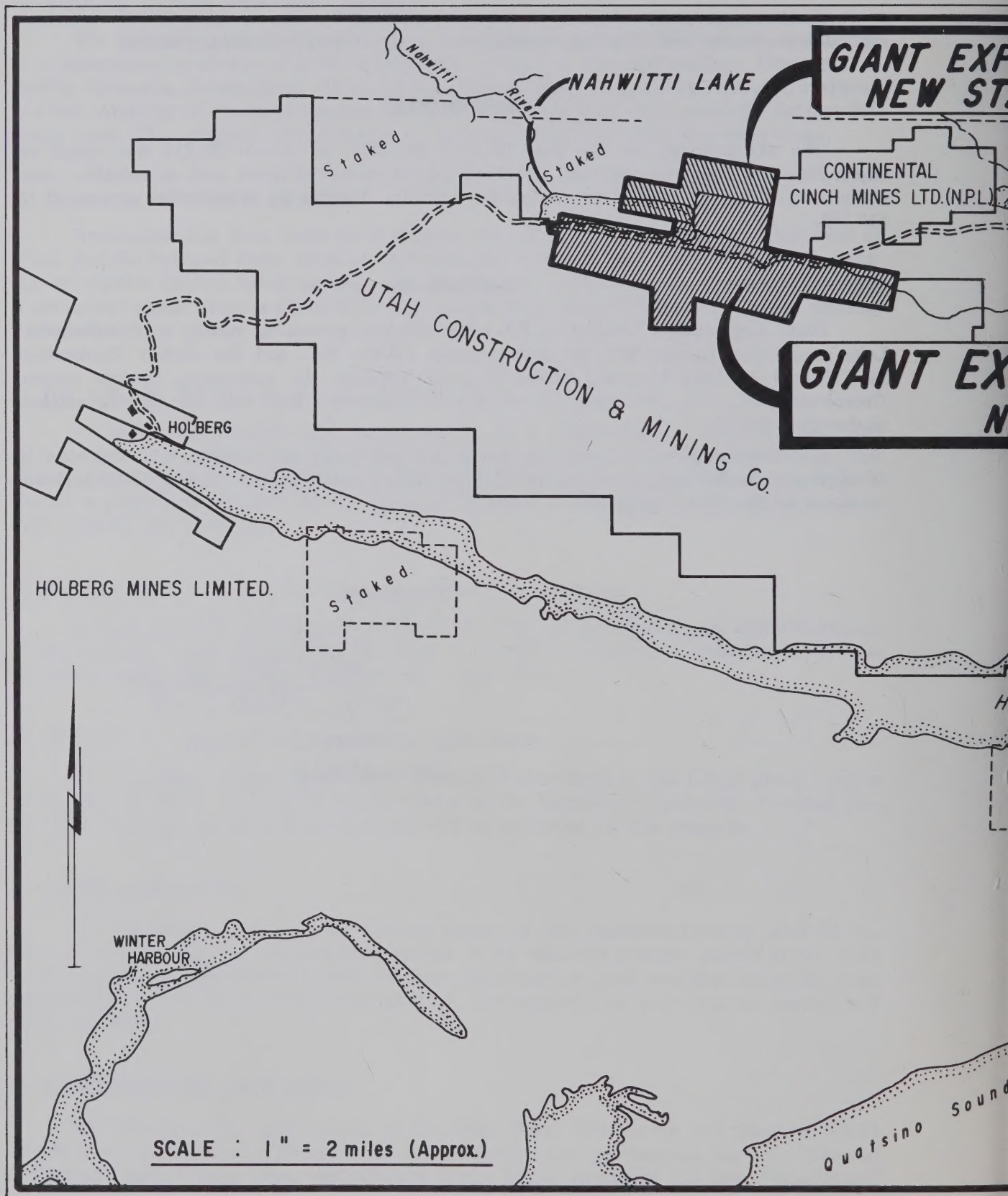
Giant Explorations Limited (N.P.L.) has obtained promising results on the Nahwitti Lake group, Port Hardy, B.C., the Likely group, Likely, B.C. and the Hedley Exploration Syndicate in southern B.C., and during the year acquired the interesting Cyclops option, Greenwood, B.C., the Jim Kelly Creek option, Tulameen, B.C. and an Alberta sulphur exploration permit.

Extensive exploration programs are planned on these six ventures, with the view to developing potential producers and in addition, Giant Explorations Limited (N.P.L.) will continue its search for prospects of merit.

Yours truly,

A handwritten signature in dark ink, appearing to read 'L. P. Starck', with a stylized, flowing script.

L. P. STARCK,
General Manager



**RATION'S
ING**

aked

AKE
PORT HARDY - HOLBERG ROAD

Staked.

River

PORT HARDY

UTAH
CONSTRUCTION
& MINING
Co.

**ORATIONS LIMITED (N.P.L.)
WITTI LAKE PROPERTY.**

AIRFIELD

PORT MCNEIL ROAD

Staked

Staked

PORT HARDY - COAL HARBOUR ROAD

Staked.

COAL HARBOUR

Staked

UTAH CONSTRUCTION & MINING Co.

Staked

berg Inlet

Staked.

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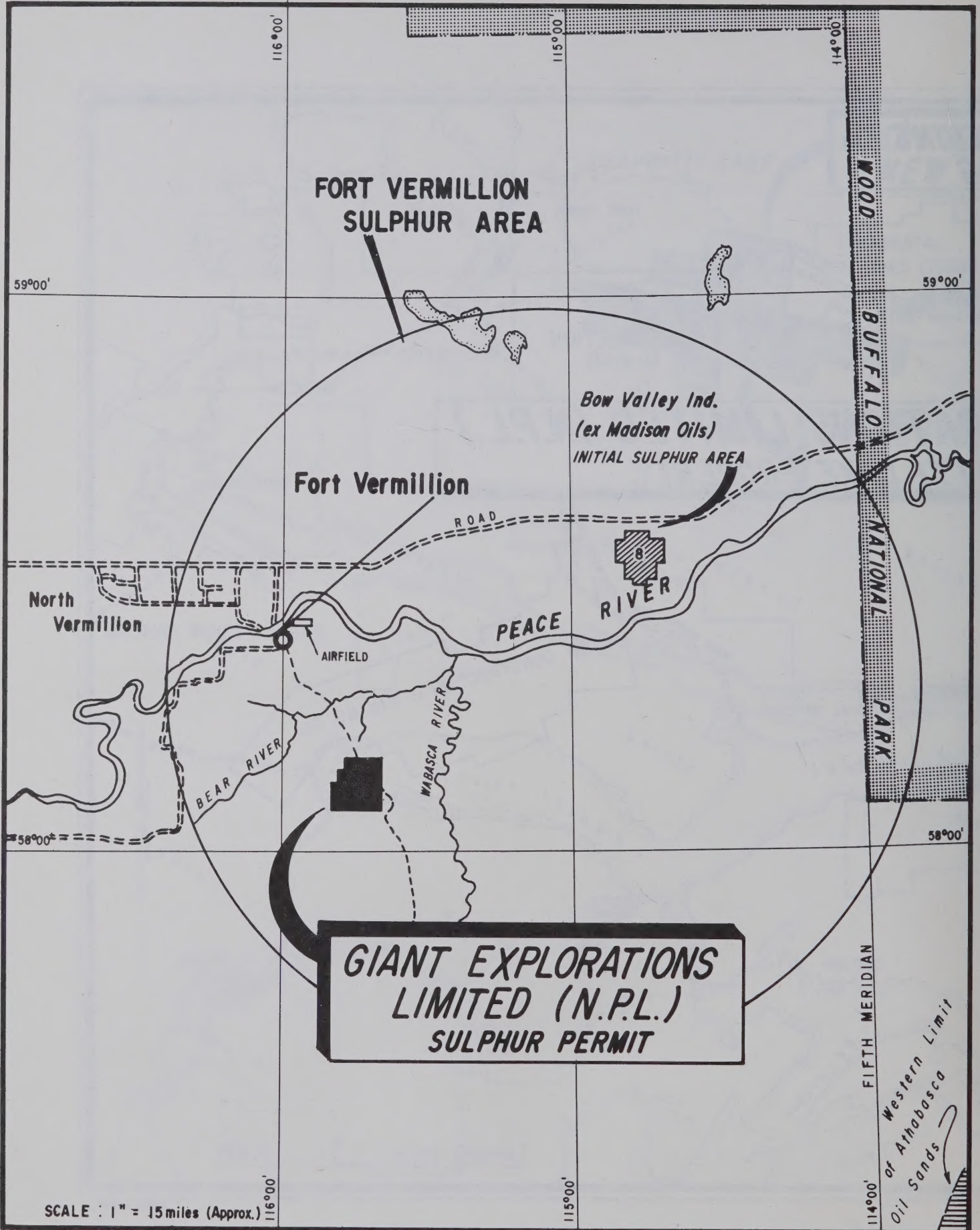
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QUATSINO

Staked

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GIANT EXPLORATIONS LIMITED

(Non-Personal Liability)

STATEMENT OF DEFERRED EXPLORATION, DEVELOPMENT

AND ADMINISTRATION EXPENDITURES

YEAR ENDED NOVEMBER 30, 1967

Exploration and development

Prospecting and line cutting.....	\$ 7,284
Engineering, geology and supervision.....	37,894
Camp operation and accommodation.....	7,495
Geophysical and geochemical surveys.....	10,426
Diamond drilling.....	7,449
Travel and vehicle operating.....	14,412
Filing fees, assays and sundry.....	10,553
Joint venture exploration.....	1,700

97,213

Less portion applicable to partners.....	24,860
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\$ 72,353

Administration

General supervision.....	11,600
Office operating.....	8,964
Legal and audit.....	2,923
Insurance.....	684
Public relations.....	1,184
Transfer agent's fees.....	1,508

26,863

Less interest earned on term deposits.....	14,123
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12,740

Net expenditures for year.....	85,093
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Balance deferred at beginning of year.....	147,314
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232,407

Deduct expenditures applicable to properties relinquished during year.....	45,321
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\$ 187,086

GIANT EXPLORATIONS LIMITED

(Non-Personal Liability)

(Incorporated under the laws of the Province of British Columbia)

BALANCE SHEET AS AT NOVEMBER 30, 1967

(With comparative figures at November 30, 1966)

ASSETS

CURRENT ASSETS	1967	1966
Cash.....	\$ 45,271	\$ 32,211
Short-term deposits.....	100,429	227,931
Accounts receivable.....	5,306	1,969
Prepaid expenses.....	6,903	—
	<u>157,909</u>	<u>262,111</u>
VEHICLES AND EXPLORATION EQUIPMENT, at cost.....	38,904	34,179
MINERAL CLAIMS AND OPTION INTERESTS, at cost (Note 1)....	78,968	73,367
DEFERRED EXPLORATION, DEVELOPMENT AND ADMINISTRATION EXPENDITURES.....	187,086	147,314
UNDERWRITING AND ORGANIZATION COSTS.....	45,365	45,365
	<u>\$ 508,232</u>	<u>\$ 562,336</u>

LIABILITIES

CURRENT LIABILITIES		
Accounts payable and accrued liabilities.....	\$ 4,323	\$ 15,354
Due to affiliated companies.....	3,383	—
	<u>7,706</u>	<u>15,354</u>

SHAREHOLDERS' EQUITY

CAPITAL STOCK (Note 2)		
Authorized 5,000,000 shares of no par value		
Issued		
516,000 shares for mineral rights.....	58,000	58,000
1,053,224 shares for cash.....	526,612	526,612
	<u>584,612</u>	<u>584,612</u>
DEFICIT (expenditures applicable to properties relinquished)		
Balance at beginning of year.....	37,630	—
Relinquished during year.....	46,456	37,630
	<u>84,086</u>	<u>37,630</u>
Approved on behalf of the Board:		
"W. C. GIBSON," Director	500,526	546,982
"L. P. STARCK," Director	<u>\$ 508,232</u>	<u>\$ 562,336</u>

The attached notes are an integral part of the financial statements.

GIANT EXPLORATIONS LIMITED

(Non-Personal Liability)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED NOVEMBER 30, 1967

1. To maintain options to acquire mineral claims the company must make further payments totalling \$159,500 at the rate of \$500 per month. Accelerated payments may be made.
2. Subsequent to the balance sheet date the company entered into an underwriting agreement which called for 200,000 shares to be issued on January 29, 1968 at 40c per share. Under the terms of the agreement the underwriter acquired an option to purchase additional shares as follows:

200,000 at 50c before April 28, 1968

200,000 at 60c before July 27, 1968

AUDITORS' REPORT

To the Shareholders of

Giant Explorations Limited (N.P.L.)

We have examined the balance sheet of Giant Explorations Limited (N.P.L.) at November 30, 1967 and the statements of deferred exploration, development and administration expenditures and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company at November 30, 1967 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

THORNE, GUNN, HELLIWELL & CHRISTENSON

Chartered Accountants.

January 30, 1968

GIANT EXPLORATIONS LIMITED

(Non-Personal Liability)

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

YEAR ENDED NOVEMBER 30, 1967

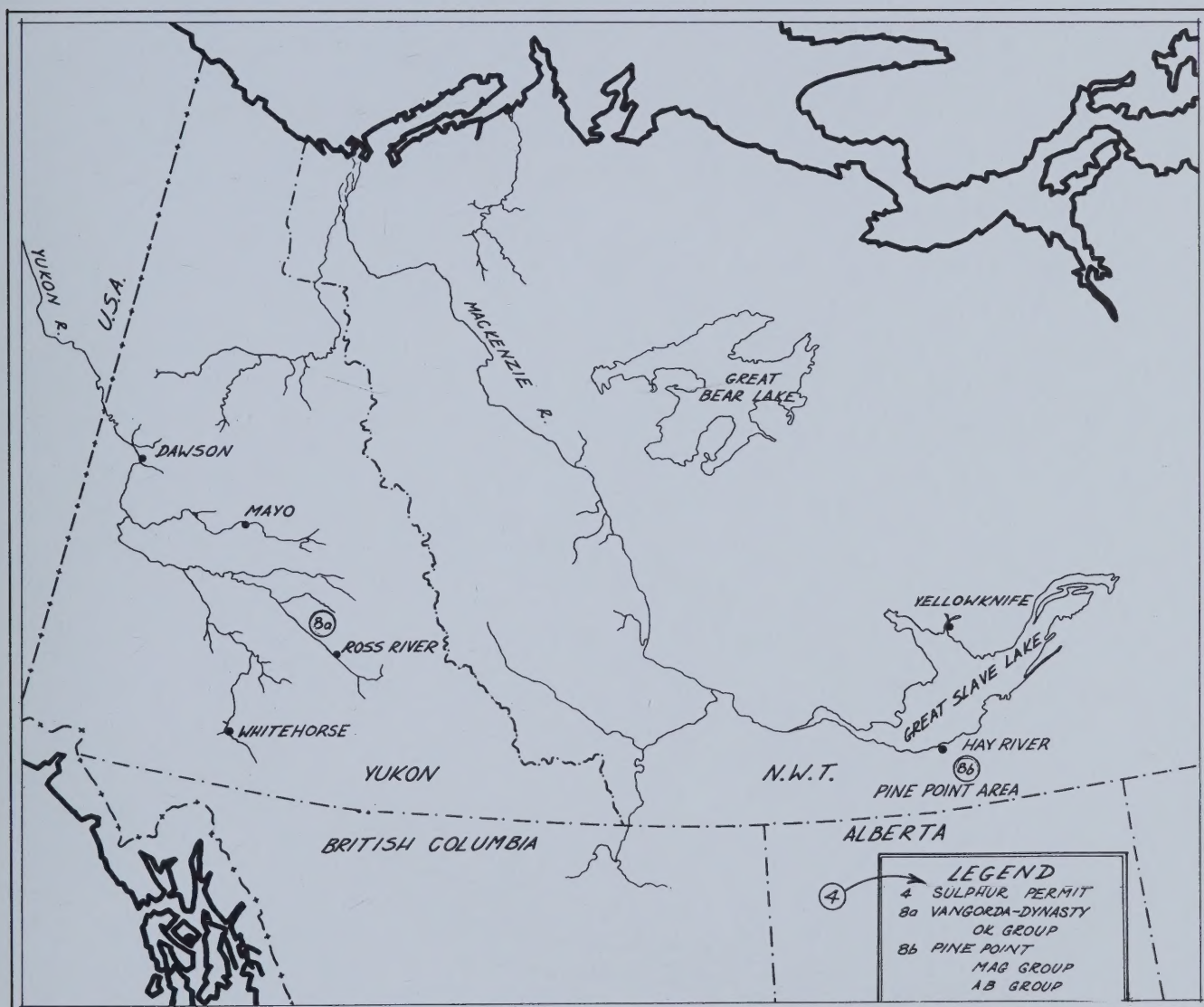
(With comparative figures for 1966)

Source of funds	1967	1966
Issue of common shares.....	—	\$ 526,612
Interest earned.....	\$ 14,123	13,223
	<hr/>	<hr/>
	14,123	539,835
	<hr/>	<hr/>

Application of funds

Additions to fixed assets.....	4,725	34,179
Purchase of mineral claims and option payments.....	6,736	23,129
Exploration, development and administration expenditures.....	99,216	190,405
Underwriting and organization costs.....	—	45,365
	<hr/>	<hr/>
	110,677	293,078
	<hr/>	<hr/>

Increase (decrease) in working capital.....	(96,554)	246,757
Working capital at beginning of year.....	246,757	—
	<hr/>	<hr/>
Working capital at end of year.....	<u>\$ 150,203</u>	<u>\$ 246,757</u>



MAP SHOWING LOCATIONS OF PROPERTIES IN YUKON-N.W.T.

